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NOTES AND MEMORANDA.

THE annual meeting of the *Verein für Socialpolitik* was to take place this year at Frankfurt on September 28 and 29. Professor Miaskowski and Dr. Thiel were to present a report on usury in agricultural districts, on the means of doing away with it, and especially on the organization of credit for the peasantry. Professor Conrad and Dr. Crüger were to report on the extent to which prices are raised by retailers and other middlemen, and on possible remedies against abnormal prices. The last-named gentleman has been closely connected with the co-operative movement, and was to discuss the effect of distributive co-operation. We may mention in this connection that any person may join the *Verein* by sending his name to the secretary, C. Geibel, publisher, Leipzig, and will receive its publications on transmitting 10 marks yearly to that officer.

THE figures for the cotton year, ending September 1, show that the crop of 1887-88 exceeded 7,000,000 bales, being the largest ever gathered in the United States. Down to the war, 4,000,000 bales had been reached only once, in 1859-60. That line was again passed in 1870-71 and in 1873-74; and, beginning with 1875-76, the crop began to run permanently above it. The yield for the last ten years is given by the *Commercial and Financial Chronicle* of September 15, in a review of the cotton year, as follows:—

	<i>Bales.</i>		<i>Bales.</i>
1878-79 . . .	5,073,531	1883-84 . . .	5,714,052
1879-80 . . .	5,757,397	1884-85 . . .	5,669,021
1880-81 . . .	6,589,329	1885-86 . . .	6,550,215
1881-82 . . .	5,435,845	1886-87 . . .	6,513,623
1882-83 . . .	6,992,234	1887-88 . . .	7,017,707

The above figures tell their own story as to the industrial regeneration which the South has undergone, and the solid basis on which the prosperity of that region is now established. Hardly less significant of change, though on a smaller scale,

are the figures as to the transportation of cotton by overland routes, which are now gaining at a rate inconceivable before the better organization of our railway system:—

	<i>Shipped overland.</i>
1883-84	1,049,070 bales
1884-85	991,960 "
1885-86	1,260,279 "
1886-87	1,292,167 "
1887-88	1,441,920 "

IN our April number (page 347), we noted the passage of an Austrian act for compulsory insurance of workmen against accident. This was followed by an act for compulsory insurance against sickness, and an account of both measures has been given by Dr. M. Ertl in the *Jahrbuch für Gesetzgebung*.

The act for insurance against sickness, like its predecessor for insurance against accident, follows the general lines of the legislation on the same subjects in Germany. It diverges from the German model in that the whole system is supervised by the government of the Empire, whereas in Germany, though the system is the result of imperial legislation, its administration is left in the hands of the several states. It is part of the same divergence that the associations which carry the insurance against sickness are organized by judicial districts, and not, as in Germany, by towns and communes. And since, by the earlier act, the associations for insurance against accident are also organized geographically, it is natural that the general supervision of the whole system of insurance against both accident and sickness should be put in the hands of a central Insurance Bureau.

In most other respects, the German example is followed. Employers are responsible for the contributions, but are entitled to deduct from wages two-thirds of what they pay. The sick-pay is sixty per cent. of common laborer's wages; and, in addition, expenses of cure are defrayed, and a small funeral allowance is made. Agricultural laborers are not affected, unless their employers voluntarily join the system, the insurance of this class being left to the legislation of the separate states of the Empire.

THE annual report of the Bank of France for 1887, given in the *Économiste Français* for September 8 and 15, presents some facts of interest as to the character of the paper discounted by the bank and its branches. The total amount of discounts for 1887 was 8,268,658,000 francs, made up by 11,579,661 pieces of paper. For each piece, the following calculation is made:—

	Paris.	Branches.
Average amount,	745.90 fr.	688 fr.
“ time to run,	22.4 days.	29 days.

The average sum represented by each piece was smaller than in 1886 by 21 francs in Paris and by 13 francs in the country, and the average time to run fell off two and a half days in Paris and one day in the country.

The classification of the paper discounted at Paris, 5,188,490 pieces, amounting to 3,869,744,600 francs, shows this remarkable proportion of paper of the smallest classes:—

13,755	pieces of 10 francs or less;
677,590	“ “ 11 to 50 francs;
977,455	“ “ 51 to 100 francs;
1,668,800	“ “ 100 francs or less.

The number of these minute notes discounted by the bank is still steadily increasing:—

1881,	paper for 100 fr. or less,	1,160,945	pieces.
1882,	“ “ “	1,224,326	“
1883,	“ “ “	1,349,270	“
1884,	“ “ “	1,581,515	“
1885,	“ “ “	1,590,839	“
1886,	“ “ “	1,592,673	“
1887,	“ “ “	1,668,800	“

In connection with this statement as to the amount of small paper flowing into the bank from the *petit commerce*, the report as to overdue paper at Paris is worthy of note:—

Dec. 27, 1886, paper overdue and charges,	1,302,124 fr.
Recovered in 1887,	587,064
Dec. 24, 1887, balance overdue,	715,060 fr.

“It is to be remarked that in the course of the year 1887 we have had no failure of payment in our Paris portfolio.”

This remarkable result is no doubt due to the fact that the paper in question had passed through one or two hands, and

was finally rediscounted by the bank, with, at least, one important indorsement. But still the small losses experienced by the Bank of France, even in revolutionary crises of the worst sort, like that of 1871, show the solidity of the mass of small dealers, for whom the bank is indirectly the constant resort.

PROFESSOR LUJO BRENTANO, on assuming the chair of political economy at the University of Vienna in April last, chose for the topic of his inaugural address "The Classic School of Political Economy," and discussed it with even less moderation than might have been expected from his previous utterances. The classic school is roundly condemned. Its doctrines as to wages and distribution are declared to be quite worthless, and the theories of Marx and Rodbertus appear once more as legitimate deductions from Ricardo's system. The following passage is characteristic:—

If it be true, as all competent observers agree, that the economic, moral, political, and social condition of English workmen is to-day immeasurably better than it was in 1840, the reason is simply that the doctrines of classic political economy on capital and labor, and the iron law of wages which goes with those doctrines, were absolutely false.

Nor is the doctrine of rent treated with more respect, while even the theory of money is said not to have been advanced by the classic writers. It is not surprising, after these criticisms, to be told that the history and description of industry are the most important tasks for the economist, and that the description of even the most modest of industrial phenomena is worth more than the acutest deductions from the selfishness of "the economic man." These remarks indicate an intention to counteract the tendencies fostered at Vienna by Menger and by other Austrian scholars, against whom, indeed, the address seems in great part directed. In a foot-note to the address as published, Brentano goes so far as to say that neither in their conception of human nature nor in the objects they sought to attain was there any difference between the mercantile and the classic writers. The only difference lies in the means by which they sought to obtain their ends. Perhaps it is a sign of Philistinism that he should yet refer with

admiration to the investigations of Thünen, who may justly be called the German Ricardo. Certainly, this address shows no such tone of moderation and conservatism as has begun recently to appear in the writings of distinguished German economists.

THE Imperial Statistical Bureau of Germany has published the results of the operations of the system of compulsory insurance against sickness for the year 1886, the first entire year for which the system was fairly in operation. Some of the figures are interesting. About 4,500,000 persons were insured, among whom there were 1,710,000 cases of sickness and 26,300,000 days of sickness. The total expenses were 58,750,000 marks, of which 53,000,000 were actually spent in relief,—medical care, medicine, money payments,—so that the average day of sickness was relieved to the extent of two marks. The expenses of administration, on this showing, are certainly not unduly large. The total receipts were 62,130,000 marks.

Another way of presenting the operations of the system is by comparing the various methods of insurance between which the sick insurance act leaves a choice. The total receipts, the payments by workmen (it will be remembered that workmen are charged only two-thirds of the contribution paid by their employers), and the payments for relief were as follows for each person for the more important classes of associations:—

[Figures denote marks.]

	Receipts from all sources per workman.	Payments by each workman.	Relief to each workman.	Excess of relief over payments.
Ortskrankenkassen,	14.9	10.1	11.9	1.8
Betriebskrankenkassen,	16.8	11.2	14.6	3.3
Hilfskassen (registered),	14.6	14.6	12.6	2.*
Communal insurance,	7.9	5.3	8.3	3.

*Deficiency.

In all cases, the workman got more than he paid, except in the registered *Hilfskassen*. These are voluntary friendly societies, which cannot levy on employers or on the public, and of course must pay expenses. Barring this exception, the workman received more or less of gratuitous aid, apparently

either from his employer's contributions or from taxation. It should perhaps be stated that *Ortskrankenkassen* are associations formed by the public authorities by grouping a number of similar establishments and occupations together. *Betriebskrankenkassen* are formed of one or more establishments in the same trade. Communal insurance appears to yield least to the workman, and yet he pays a less proportion of the expenses than in other cases.

The scale on which the legislation for compulsory insurance is being carried out is illustrated by the report for 1887 on sick insurance in Berlin. We take the following figures from the abstract of this report, prepared by Mr. Mugdan for *Die Arbeiterversicherung*. The total number of persons insured in Berlin was,

At the close of 1885,	212,649
“ “ 1886,	231,841
“ “ 1887,	261,160

By far the largest number of these (237,257 in 1887) were insured in the *Ortskrankenkassen*. The largest single association of this kind is the general *Kasse* for men and women engaged in industrial pursuits and not insured elsewhere, which had nearly 62,000 members. The *Betriebskrankenkassen* had, in 1887, a total membership of 17,893.

As the number of cases of sickness does not increase so fast as the number of members, Mr. Mugdan concludes that “the associations, after all, have made progress in checking cases of pretended sickness.”

It is reported that the Russian minister of finance has instructed the Bank of Russia to make a fresh issue of inconvertible paper, to the extent of 15,000,000 roubles. The issue is made nominally on the security of gold held by the bank for the imperial treasury; but, as the notes are not convertible and the holder has no means of enforcing this supposed pledge, the issue is in effect merely so much added to the volume of paper currency, already depreciated by excess. The addition is made in order to meet the increased autumn demand for currency, which, in Russia as in other agricultural countries, drains currency from the bank or other central reservoir at the time when the crops are seeking their market.

This demand for more paper in order to move the crops will have a familiar sound to those who recall the experience of this country under the suspension of specie payments. The demand for more paper in Russia is also referred to as evidence of the increasing trade of the country and the demand for a more ample medium caused by growing prosperity. This, again, is a view of the case once familiar here, and a fresh illustration of the ease with which arguments can be found for postponing an unpleasant reform. The conclusion of the *Economist* is that, in fact, the financial position of the Russian government is so weak that it can make no effort towards throwing off its inconvertible paper. But, if so, where is the inflation to end? "Is every expansion of trade to be the occasion and the cause of further issues of notes?" That was the contention here.

ANOTHER addition to the list of economic periodicals is made by the *Archiv für Soziale Gesetzgebung und Statistik*, which appears under the editorship of Dr. Heinrich Braun, of Munich. Its scope is sufficiently indicated by the title; and, while it specializes within the field of economics, its subject is so wide and so full of important topics that there need be no lack of variety in its contents. The first number contains an introduction by the editor and papers by J. M. Bärnreither on "English Statistics as to Persons out of Work," by O. Pringsheim on the "Condition of the Working Classes of Holland," by A. Oldenburg on "Infant Mortality," and by F. Erismann on the "Physical Condition of the Working Classes of Central Russia." There is a department on legislation and another for notes and miscellanies, as well as the usual reviews. Contributions are promised from a number of writers, among whom we note some familiar names, with others which indicate that the *Archiv* will have, to a certain extent, a connection of its own. We may expect from it contributions of high value for the advancement of social science and for the improvement of legislation. There will be four numbers yearly, at a subscription of twelve marks. The publisher is H. Laupp, of Tübingen, to whom subscriptions should be sent.

Still another new publication is the *Zeitschrift für Agrar-*

politik, which is edited by K. Frankenstein, and covers a topic of much present interest in Germany. It is to be published in twelve numbers yearly, at a subscription of 7.20 marks, by the firm of Böhme, in Leipzig.

THE condition of factory labor in India has begun to attract attention; and the need of more factory legislation is shown by the report of the Bombay Factory Commission of 1885, which has been published recently in a parliamentary blue book. This Commission recommends that women be not allowed to work in the factories more than eleven hours, between six o'clock A.M. and six P.M.; that children under nine be not allowed to work at all; and that children between nine and fourteen be not allowed to work more than nine hours, between 7 A.M. and 5 P.M. The present legislation in India goes no farther than to restrict the work of children between seven and twelve to nine hours, and does not fix the time within which these nine hours must be taken.

The Commission recommends also certain sanitary provisions, of which there are now none: the giving of four holidays per month (it seems there are now but fifteen holidays throughout the year in Indian factories); regulations for insuring the publicity of the law and the rules under it; and the repeal of the present exemption from restriction of factories employing less than one hundred hands. It was in establishments of the last-mentioned kind that the most lamentable state of things was found to exist. In small ginning mills, the hours of work for months were from 5 A.M. to 10 P.M.; and at busy times work went on uninterruptedly, day and night, for a week. Yet even here legislative interference must be slow and tentative, lest the women employed be deprived of their employment or compelled to accept a reduction of their meagre wages. The Commission recommends, in regard to these cases, a restriction to sixteen hours, with two hours of rest, for factories working less than six months in the year. It does not appear that any legislation has yet followed these various recommendations.